

May 22, 2009

Maine Milk Commission Meeting Minutes  
Deering Building, Room 233  
Augusta, Maine 04333

Notices for the May 22, 2009 meeting were distributed to Commission members, intervenors and other interested parties April 17, 2009 and sent to the Secretary of State's Office for posting on April 20, 2009.

**Commission Present:** Colon Durrell, Richard Cook, John Joseph, Mark Hedrich, *ex-officio* and Chairman Michael Wiers

**Commission Absent:** None

**Department Officials:** None

**Staff Present:** Tim Drake, Executive Director, and Carol Gauthier, Office Associate

**Legal Counsel:** Not present

**Intervenors Present:** John Blake, H.P. Hood, Inc., Thomas Brigham, Oakhurst Dairy, Dale Cole, President of the Maine Dairy Industry Association (MDIA) and Julie-Marie Bickford, Executive Director of Maine Dairy Industry Association.

**Others Present:** Fred Hardy from MDIA; Chuck Farrand, Holly Whitcomb dairy farmers, Clayton Davis, DMS, Dr. George Criner, Amy Cook, Pat Heacock and Ben Urquhart from the University of Maine and Ruby Hardy, public attendee.

Chair Mike Wiers called the meeting to order at 1:35 pm.

**Agenda Item 1: Minutes:** John Joseph made a motion to accept the minutes of the April 17, 2009 meeting. Richard Cook seconded. Motion passed 4-0.

**Agenda Item 2: Amy Mills, Assistant Attorney General:** No report.

**Agenda Item 3: Minimum Prices:**

Tim Drake reported that there is a prevailing premium of \$1.10/cwt on Class I for June 2009 reported by Dairy Marketing Services (DMS) and Agri-Mark Cooperative. In addition to this premium, both Agri-Mark and DMS reported that an additional \$0.43/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in affect. Federal Order One Class I price for June is \$13.33. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.52/cwt. He stated that this price schedule was for information purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Chairman Wiers asked if there were any comments or new information from the intervenors. Julie-Marie Bickford gave the Commission an update on Legislative action pertaining to the tier program. Tom Brigham asked if the federal MILC payment amount was known for June. Tim Drake answered that projections have been between \$1.38 to \$1.66/cwt. John Blake noted that the minimum price of a gallon of whole milk will go up \$0.04 due to the increased handling fee while the same milk outside of

Maine will go down \$0.08. John Joseph made a motion that schedule #06-09 be adopted as prepared, Richard Cook seconded this motion, and the motion passed 4-0.

**Agenda Item 4: Maine Monthly Price Survey:** The Commission reviewed the Maine price survey for May 2009 which included prices for Augusta, Bangor/Brewer, Palmyra, Auburn and Brunswick. IAMCA'S nationwide price survey was also provided to commission members for review.

**Agenda Item 5: Next Scheduled Meetings:**

- June 12, 2009, Friday 9:30 a.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME  
(work session for Producer Margins)
- June 19, 2009, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- July 17, 2009, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- August 21, 2009, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- September 18, 2009, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME

**Agenda Item 6: Other:**

1. **Milk Commission Budget:** The Commission reviewed the latest budget summary. Tim Drake updated the commission members on the progress of a new database.
2. **Milk Promotions:** Three proposed milk promotions that had been submitted to staff for review were provided to the members. Tim Drake informed the Commission that during his monthly price checks he had discovered that Shaw's Supermarket stores in Augusta and Brunswick had milk offered for sale under Maine minimum prices. Letters were sent to Shaw's informing them of this violation and a response had been received, detailing how this had happened and what steps had been taken to ensure future compliance. The Commission felt that the response was satisfactory and instructed Mr. Drake to inform Shaw's that this would be considered a first offense but no penalty would be assessed at this time.
3. **Dealer Cost and Accounting System:** Dr. Criner handed out an analysis of Rule 5 and a breakdown on several options to streamline the process. John Joseph asked if any changes would decrease the amount of information requested for the three year study. Dr. Criner answered that by design only useful information would be requested and hoped that changes in the industry would be caught sooner during periods of rapid cost changes. Julie-Marie Bickford asked if these changes would institutionalize the relationship between the Maine Milk Commission and the University as the information would be gathered on a continual basis. Tim Drake

suggested that Dr. Criner meet with legal counsel prior to moving forward on this issue to determine any legal problems that may crop up.

**Agenda Item 7:** Executive Session: The Commission did not go into Executive Session.

**Adjourned:** Adjourned at 2:37 pm May 22

Tim Drake, Maine Milk Commission